GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA

UNSTARRED QUESTION NO:5409
ANSWERED ON:06.04.2017
Grant Awarded to Panchayats by 14th Finance Commission
Kambhampati Dr. Hari Babu

Will the Minister of PANCHAYATI RAJ be pleased to state:

a) whether the grants awarded to Panchayats by the 14th Finance Commission are not being received by them timely;

b) if so, the details thereof, including details of grants released to Panchayats so far, State-wise;

c) whether the Ministry compiles sector-wise information on expenditure made by Panchayats from the grants received by them; and

d) if so, the details thereof including sector-wise expenditure of Panchayats in Andhra Pradesh?

Answer

MINISTER OF STATE IN THE MINISTRY OF PANCHAYATI RAJ
(SHRI PARSHOTTAM RUPALA)

(a) and (b): Fourteenth Finance Commission (FFC) has recommended grants to the tune of Rs.2,00,292.20 crore for the award period of 2015-20 to Gram Panchayats (GPs) constituted under Part IX of the Constitution to 26 States. 90 percent of the Grants are the Basic Grants and 10 percent are Performance Grant (applicable from 2016-17). Basic grants are released to the States by the Ministry of Finance (MoF) on receipt of Utilization Certificate (UC) for the previous installment in two equal installments every fiscal year. Then grants are released to GPs by the States within 15 days of it being credited to their account by Union Government. In case of delay the State Government must release the installment along with interest at Bank rate of RBI paid from its own funds and a certification to this effect will be reflected in the UC to be furnished by the State. Performance Grants for 2016-17 was released by the Ministry of Finance on certification of the Ministry of Panchayati Raj that the State has notified the scheme for operationalising disbursement of Performance Grants and it conforms to the recommendations of FFC. State-wise allocation and releases of FFC Grant for FYs 2015-16 and 2016-17 are given at Annexure-I.
(c) & (d): Ministry of Panchayati Raj has developed an online system (MIS) under PlanPlus application http://planningonline.gov.in/ffcReport.asp for capturing sector- wise expenditure under FFC Grants. The States are to upload the data on the MIS. So far for FY 2015-16 nine States namely, Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Sikkim, Tamil Nadu, Tripura, Uttarakhand and Uttar Pradesh and four States namely, Andhra Pradesh, Gujarat Jharkhand and Uttarakhand for FY 2016-17 have uploaded/ furnished information on sector-wise expenditure. Details of Sector-wise expenditure are given for 2015-16 and 2016-17 at Annexure-II (a) and II (b) respectively.